

Instructions for Idaho Form 68

GENERAL INSTRUCTIONS

Form 68 is used to calculate the Idaho broadband equipment investment credit earned or allowed. Each member of a unitary group that earns or is allowed the credit must complete a separate Form 68.

Qualifying Property

You must apply and obtain an order from the Idaho Public Utilities Commission (PUC) confirming that your installed equipment is qualified broadband equipment.

Qualified broadband equipment is equipment that qualifies for the investment tax credit and is capable of transmitting signals at a rate of at least 200,000 bits per second to a subscriber and at least 125,000 bits per second from a subscriber. In addition, specific requirements must be met by telecommunications carriers, commercial mobile service carriers, cable or open video system operators, satellite or wireless carriers, packet switching equipment, and multiplexing and demultiplexing equipment. The equipment must be used primarily to provide services to public subscribers in Idaho.

Unitary Sharing

A corporation included as a member of a unitary group of corporations may elect to share the broadband equipment investment credit it earns but does not use with other members of the unitary group. The corporation must claim the broadband equipment investment credit to the extent allowable against its Idaho income tax before it can share the credit.

Transfer of Credit

A taxpayer who earns the broadband equipment investment credit may transfer the credit to another taxpayer. The transferor must submit Form 70, Idaho Statement of Credit Transfer, to the Tax Commission at least 60 days prior to the date of transfer. The Tax Commission will verify the amount of credit available for transfer and the number of carryover years.

The transferee may first claim the transferred credit on his income tax return originally filed during the calendar year in which the transfer takes place. However, the credit may not be claimed on a tax return that begins prior to January 1, 2001.

The transferee must attach a copy of Form 70 to each income tax return in which the credit is claimed or carried over.

Carryover Periods

The credit carryover is limited to 14 tax years. A transferee is entitled to the same carryover period that would have been allowed to the transferor.

SPECIFIC INSTRUCTIONS

Instructions are for lines not fully explained on the form.

CREDIT AVAILABLE SUBJECT TO LIMITATION

Line 1. Attach a list of all property for which you are claiming the broadband equipment investment credit. The list should identify each piece of equipment, your basis in the item, and the date placed in service. Do not include any equipment that was disposed of, that ceased to qualify, or that was moved from Idaho before the end of the year.

You must also attach the approval from the Idaho PUC that confirms the installed equipment is qualified broadband equipment.

Line 3. Enter the amount of broadband equipment investment credit that is being passed to you from partnerships, S corporations, estates, or trusts in which you have an interest. Attach a copy of the schedule provided to you.

Line 4. If you are a member of a unitary group of corporations, enter the amount of credit you received from another member of the unitary group.

Line 5. If you received credit as a result of a transfer from another taxpayer, enter the amount of credit you received. Attach a copy of Form 70.

Line 6. Complete lines 21 through 24 on page 2. Enter the amount from line 24.

Line 7. If you are a partnership, S corporation, estate, or trust, enter the amount of credit that passed through to partners, shareholders, or beneficiaries.

Line 8. If you are a member of a unitary group of corporations, enter the amount of credit you earned that you elect to share with other members of your unitary group. Before you can share your credit, you must use the credit up to the allowable limitation of your Idaho income tax.

Corporations claiming the broadband equipment investment credit must provide a calculation of the credit earned and used by each member of the combined group. The schedule must clearly identify shared credit and the computation of any credit carryovers.

Line 9. If you transferred credit to another taxpayer, enter the amount of credit you transferred. You can only transfer credit that you originally earned.

CREDIT LIMITATIONS

The broadband equipment investment credit is limited to the smaller of \$750,000 or the Idaho income tax after

allowing all other tax credits that can be claimed before the broadband equipment investment credit. If you claim the Idaho credit for qualifying new employees, the broadband equipment investment credit and most other credits are limited to 45% of your Idaho income tax.

The following credits must be applied to the tax before the broadband equipment investment credit:

1. Credit for tax paid to other states;
2. Credit for contributions to Idaho educational entities;
3. Investment tax credit;
4. Credit for contributions to Idaho youth and rehabilitation facilities;
5. Credit for production equipment using post-consumer waste;
6. Natural resources conservation credit;
7. Promoter-sponsored event credit;
8. Credit for qualifying new employees; and
9. Credit for Idaho research activities.

If the credit for qualifying new employees is claimed, complete lines 12 through 16 and skip lines 17 through 20. If the credit for qualifying new employees is not claimed, skip lines 12 through 16 and complete lines 17 through 20.

Line 11. Enter the amount of your Idaho income tax. Idaho income tax is the computed tax before adding the permanent building fund tax, any other taxes or subtracting any credits.

Line 13a. Enter the credit for contributions to Idaho educational entities from the appropriate Idaho income tax return.

Line 13b. Enter the investment tax credit allowed as computed on Form 55, Part II, line 7.

Line 13c. Enter the credit for contributions to Idaho youth and rehabilitation facilities from the appropriate Idaho income tax return.

Line 13d. Enter the credit for production equipment using post-consumer waste from the appropriate Idaho income tax return.

Line 13e. Enter the natural resources conservation credit from the appropriate Idaho income tax return.

Line 13f. Enter the promoter-sponsored event credit from the appropriate Idaho income tax return.

Line 13g. Enter the allowable credit for qualifying new employees as computed on Form 55, Part II, line 27.

Line 13h. Enter the credit allowed for Idaho research activities as computed on Form 67, line 28.

Line 14. The total of nonrefundable credits claimed cannot exceed the amount on line 12.

Line 17a. Individuals enter the credit for tax paid to other states as computed on Form 39R or Form 39NR.

Line 17b. Enter the credit for contributions to Idaho educational entities from the appropriate Idaho income tax return.

Line 17c. Enter the investment tax credit allowed as computed on Form 49, Part II, line 9b or line 10.

Line 17d. Enter the credit for contributions to Idaho youth and rehabilitation facilities from the appropriate Idaho income tax return.

Line 17e. Enter the credit for production equipment using post-consumer waste from the appropriate Idaho income tax return.

Line 17f. Enter the natural resources conservation credit from the appropriate Idaho income tax return.

Line 17g. Enter the promoter-sponsored event credit from the appropriate Idaho income tax return.

Line 17h. Enter the credit allowed for Idaho research activities as computed on Form 67, line 32.

Line 18. The total of nonrefundable credits claimed cannot exceed the amount on line 11.

CREDIT CARRYOVER

Line 24. The amount of credit available that exceeds the total credit allowed on the current year tax return may be carried forward up to 14 tax years.